Memorandum for:

Mr. Donald Gregg Assistant to the Vice President for National Security Affairs Room 298, Old EOB National Security Council

This paper represents our best effort to date to evaluate the economic significance of the intra-German relationship to East Germany.

Our analysis shows clearly the growth in resource flows to the GDR over the years and, most interesting, East Germany's use of the "special relationship" to help weather its recent financial problems. We believe you will find the paper useful given current policy changes affecting the intra-German relationship.



Director,

EURA

Office of European Analysis

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